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- BUDGET & PROGRAM PLANNING -

George L. Bousliman, Director

THE EXECUTIVE PLANNING PROCESS

Thomas L. Judge, Governor

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THE EXECUTIVE PLANNING PROCESS

Prepared by:

John S. Fitzpatrick

with the assistance of

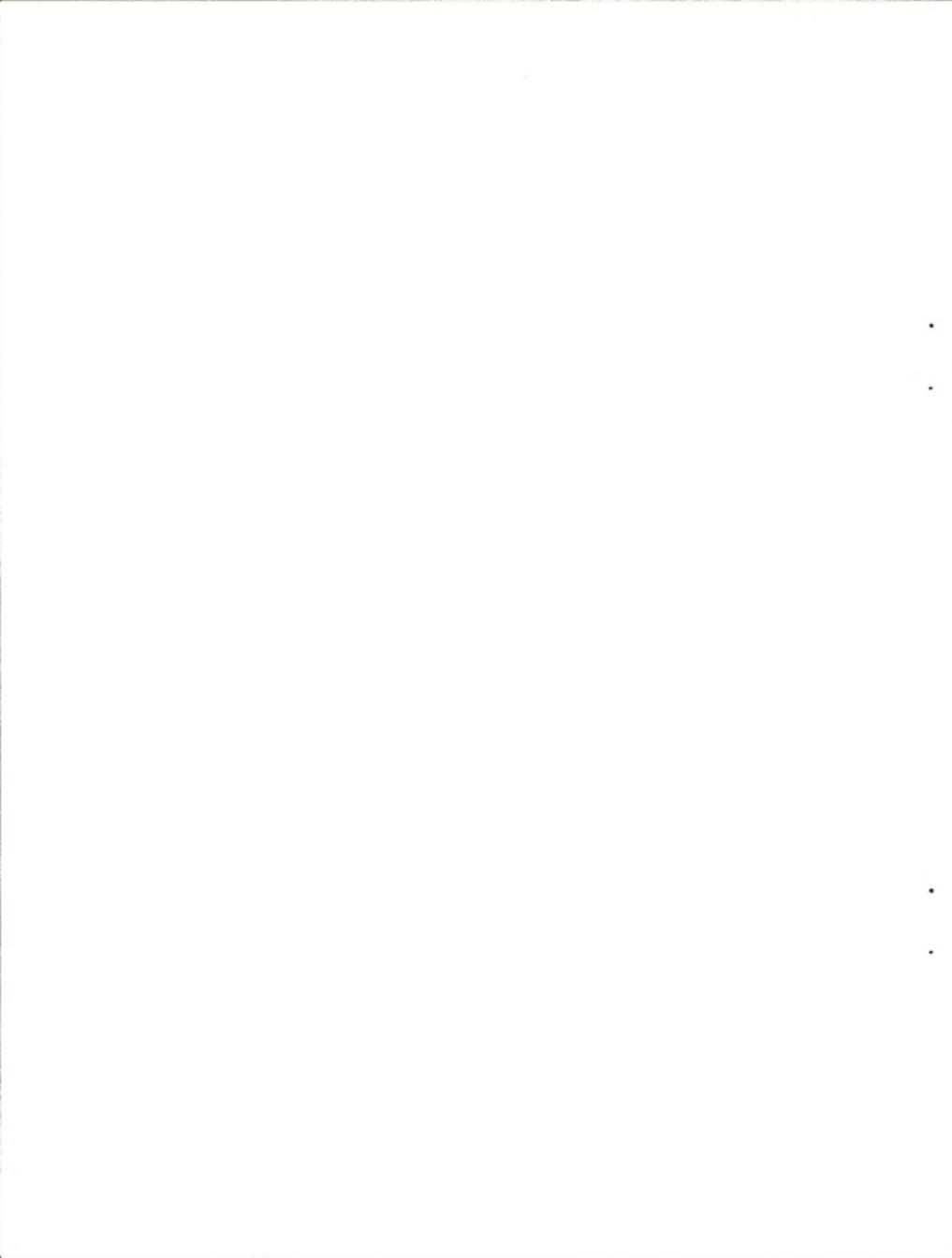
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Linda Gamble

OFFICE OF BUDGET AND PROGRAM PLANNING

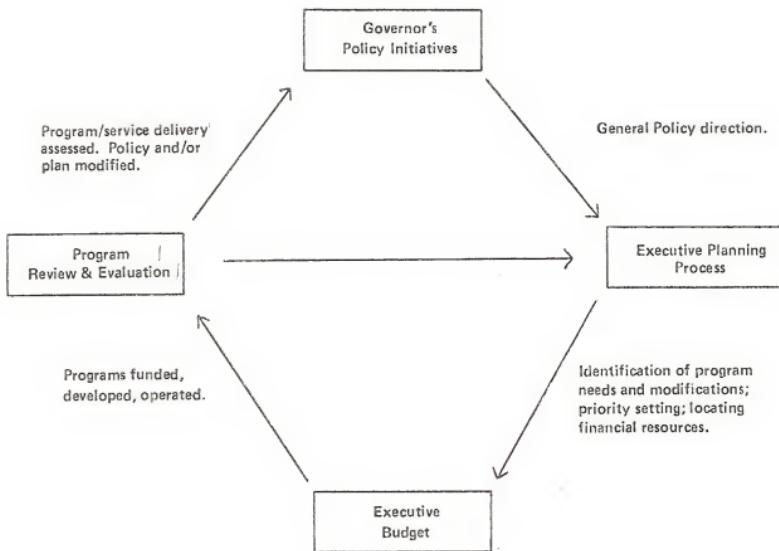
PLANNING - RESEARCH DIVISION

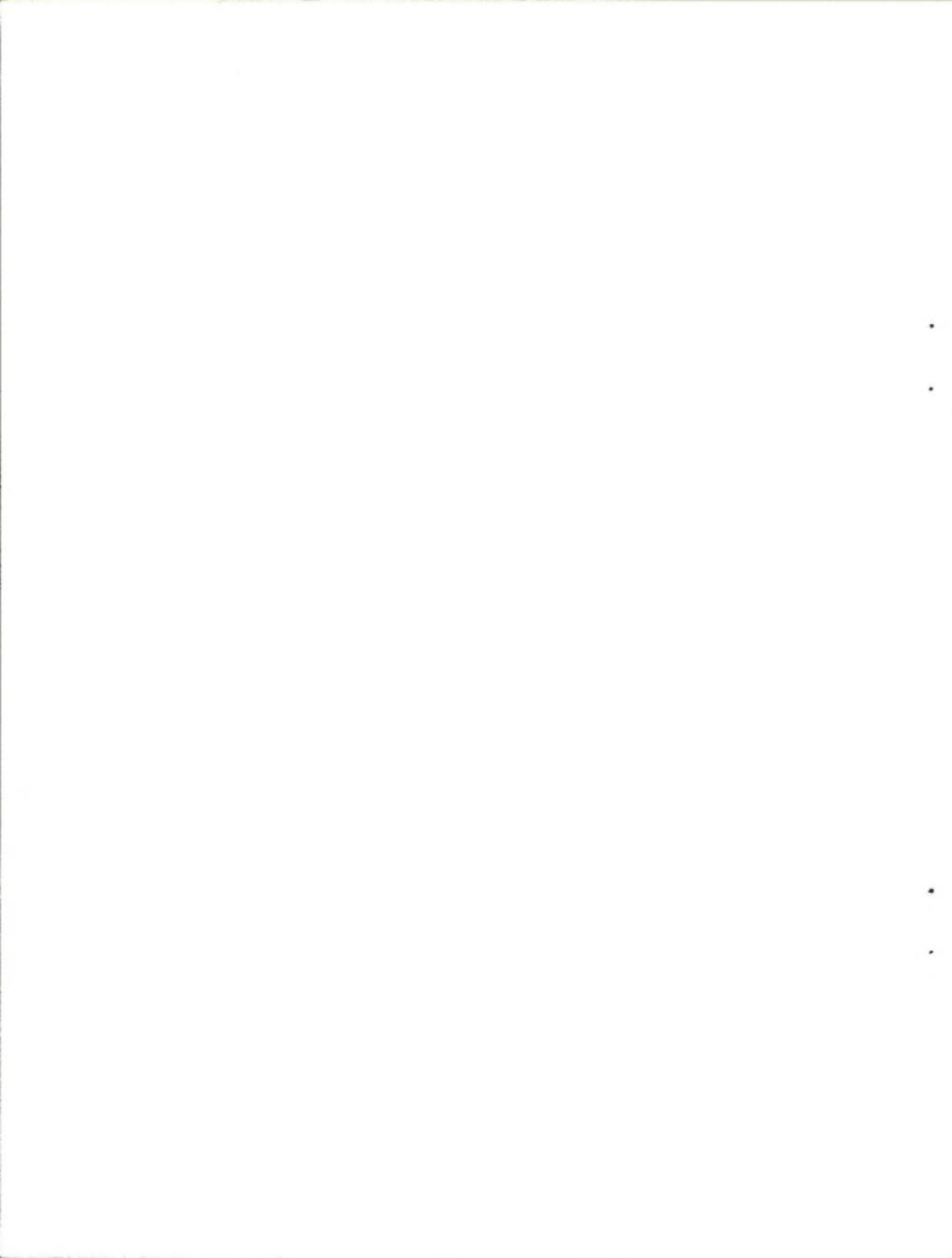
George L. Bousliman
Director

John S. Fitzpatrick, Ph.D.
Deputy Director for
Planning and Research



STATE OF MONTANA
EXECUTIVE PLANNING — BUDGETING — MANAGEMENT SYSTEM
FLOW CHART

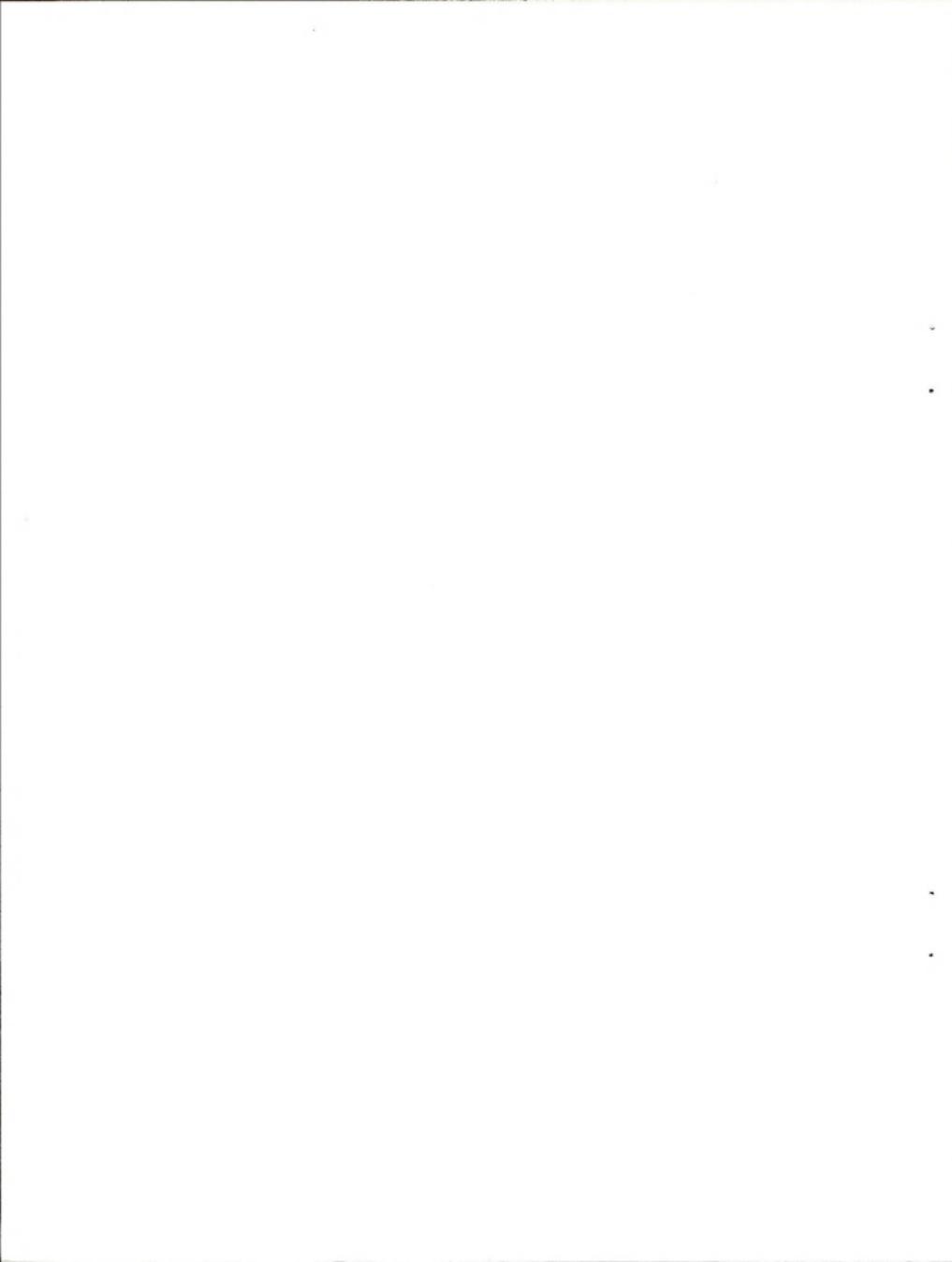




EXECUTIVE PLANNING PROCESS

PLANNING FORMAT AND INSTRUCTIONS

Office of Budget and Program Planning
George L. Bousliman, Director
449-3616



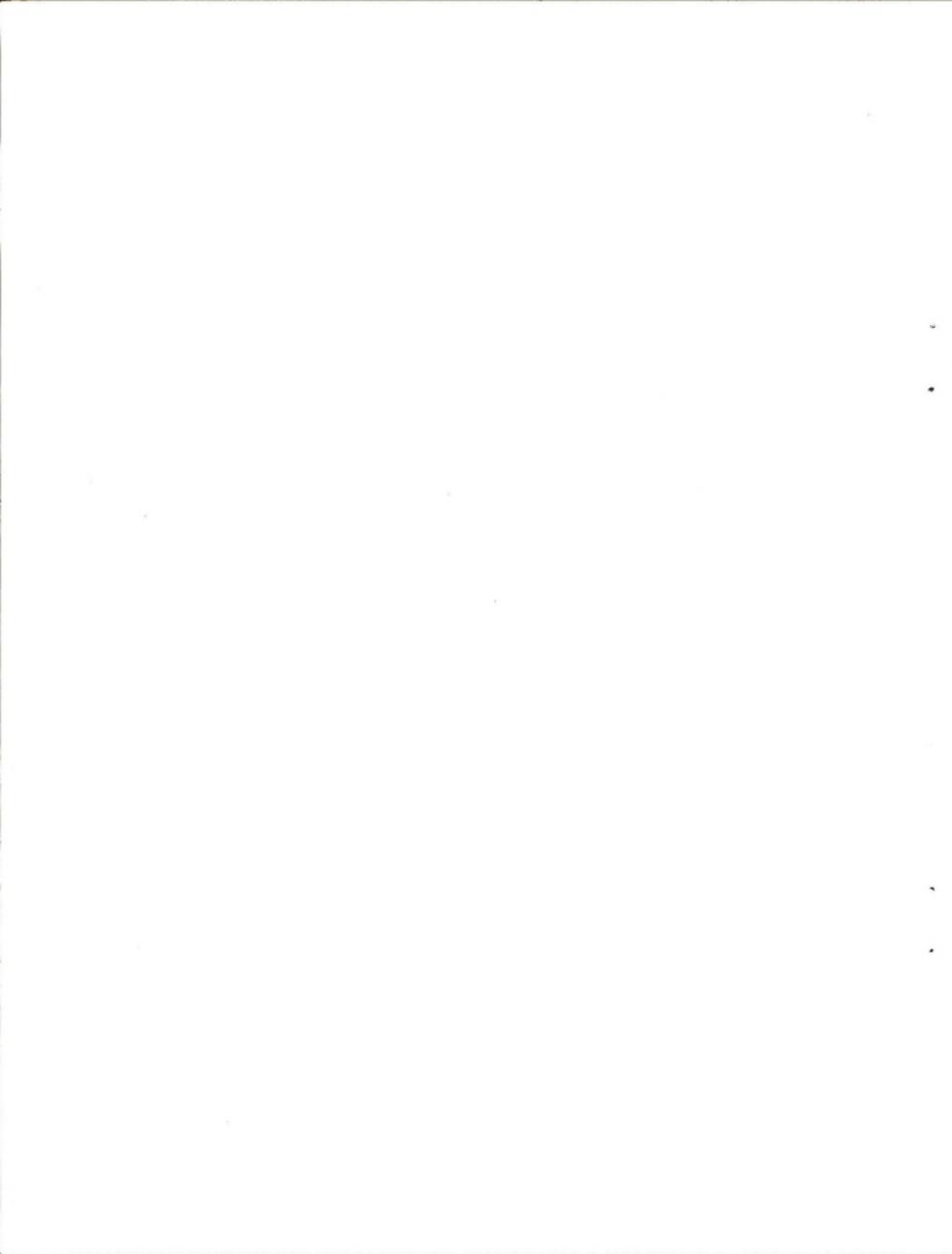
Introduction

To improve the Executive Planning Process (EPP), the existing six-year planning process has been discontinued and a new, simplified format instituted in its place. The new planning process will serve to highlight critical issues and problems to be considered in developing state policy and formulating the executive budget, while providing state agencies with the flexibility to plan day-to-day departmental operations. In contrast with the six-year planning process which requested a comprehensive listing of future operations and a detailed funding breakdown, the new approach requires that more attention be given to assessing the impact of changes in funding levels and to identifying critical policy decisions.

Format

The attached form presents the new format for the Executive Planning Process. This format requests that each program be described as follows: a statement of program mission, current goals or objectives, the consequences of funding the program at the 80% level, proposed program modifications, and anticipated problems, trends or issues of concern.

1. Statement of Program Mission: This section is to describe the purpose of the program. Descriptions taken from the statutes, Executive Budget Book, or Governor's Annual Report will suffice.
2. Current Goals or Objectives: This section is to describe the ongoing, in-place targets of program action during the current (1977-1979) biennium. Where valid, goals or objectives from the existing six-year plan may be used. This section should briefly reference the Governor's Policy Initiatives in parentheses at the end of each statement. Statements should be action oriented, specific, quantifiable or indicate an end product of the program. Items listed in this section should correspond



2. (continued)

to activities funded by the existing current level budget. Activities added by budget amendment are considered program modifications and are to be identified in the section titled "proposed program modifications" if the agency wishes to continue the activity in the future. Program goals or objectives required by statute or federal regulation should be listed first.

3. Consequences of Funding Program at 80% level: This section is to describe the impact of a 20% reduction in current level funding. Identify the goals or objectives (from section two above) which would be eliminated or restructured as a result of 80% funding. Identify those reductions which will have the least impact upon the program. Consider reductions "across-the-board" as well as the elimination of some program functions. Do not describe the consequences of reduced funding in terms of FTE or operational cost reductions. Proposed reductions should be presented in priority order with the first item listed having the lowest priority. Statements to the effect that the entire program would cease to function are unacceptable. Agencies should not attempt to circumvent the intent of this section by listing the most important or popular functions as those to be eliminated. Finally, identifying the consequences of a 20% reduction in funding does not automatically imply an actual budget reduction. It is a method of identifying program priorities.

4. Proposed Program Modifications: If a program wishes to add services, expand a level of effort within an existing program, or continue a function added by budget amendment, the proposal should be initiated in this section of the plan. Further, if a program wishes to propose a change of state policy or statute that has no fiscal impact, it should be listed in this section. This section of the plan is viewed as the list of proposed budget modifications or legislative changes for the next (1979-1981) biennium. For agencies using the Priority Budgeting System, this section will correspond to the C package budget increment. Statements used in this section should be action oriented, specific, quantifiable or indicate an end product of action, and briefly reference the Governor's Policy Initiatives. Proposed program modifications should be presented in priority order with the first modification listed having the highest priority. Proposed modifications requiring capital construction should be referenced at the end of the statement (i.e., capital construction or, LRBP).

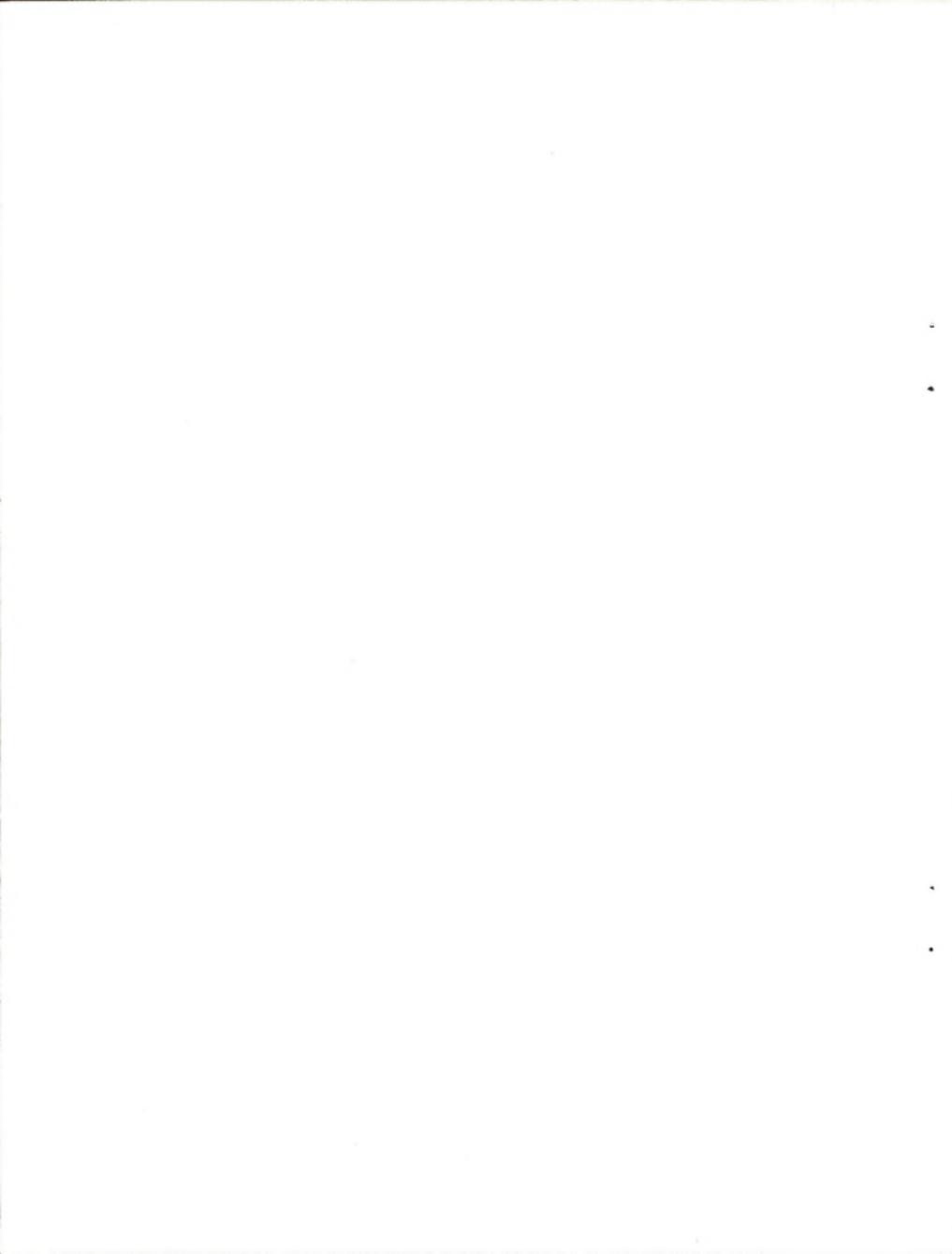
5. Anticipated Problems or Trends: This section is intended to provide the Governor with an understanding of issues, trends, or problems which could appear in the next few years and which could have a major impact upon the Administration's policies, level of service provided by state agencies, or the state budget. Examples could include changing federal regulations, new building codes, court cases or decisions in other states. Statements should be factual and concise. Although there is no specific time horizon for this section, the primary focus should be toward issues which might be reasonably expected to occur within the next two to six years.

Long Range Building

Activities which require capital construction should be briefly noted on section four of the Executive Planning Process form. In addition, each department requesting capital projects is to submit a Facilities Plan (form and instructions attached) listing the capital construction needs of the entire department. The department director will prepare the Facilities Plan for the agency and transmit the plan to OBPP along with the EPP plans. Only one Facilities Plan is to be submitted by each department.

Procedures for Executive Planning Process

1. Plans will be prepared at the program level. OBPP has defined the program structure to be used by each agency. The programs used in the planning process will correspond to existing budget programs, subprograms, or to an agency organizational structure.
2. OBPP will distribute the appropriate planning forms to each agency and provide technical assistance and training as necessary.
3. One plan will be submitted for each program. The plan will be limited to one typewritten page per program.
4. The agency director will review the plans prepared by their respective programs and transmit same to OBPP. The agency head will also transmit a memo outlining



4. (continued)

the priorities of the department during the forthcoming biennium. The items on the priority list are to be abstracted from the plans prepared by program managers. Also, the agency head will send a prioritized list of capital construction projects for the entire department.

5. OBPP will review each departmental plan and meet with agency personnel to discuss the plan and any needed modifications.
6. OBPP will summarize and condense each departmental plan. A copy of the summary will be sent to the agency head for review and written response.
7. OBPP will review the summarized departmental plan and applicable comments as received from the agencies. From the departmental summaries, a consolidated statewide plan will be prepared and sent to the Governor for review.
8. The Governor will review the plan and transmit his preliminary priority list of budget modifications and instructions back to OBPP.
9. For items listed on the Governor's preliminary list, agencies will be asked to submit budget modifications. Requests for budget modification (from OBPP to the agencies) will accompany the regular budget instructions.
10. OBPP will prepare final revenue estimates for the forthcoming biennium, review agency budget requests with the Governor, and prepare the executive budget.

Principles

In order to insure thoughtful participation in the planning process, the following principles are operative.

1. The planning format - limiting each program to one typewritten page - has been deliberately designed to force program managers to clearly and concisely think through the activities and needs of their programs. The planning process does not need verbiage. Only the best program modifications are to be included.

2. Agencies should insure that all proposed program modifications are included in the plan. Items left out of the plan will not likely receive the careful consideration or support of the administration in preparing or presenting the executive budget.
3. The Executive Planning Process is designed for early identification of issues or problems that need to be resolved prior to formulating the executive budget. It is also meant to encourage state agencies to initiate internal planning efforts. Accordingly, state agencies should use the Executive Planning Process as a device to review the need for current level operations as well as program expansions.

Closing

Questions concerning the planning process should be directed to the Planning/Research Division or to the agency's budget analyst in the Office of Budget and Program Planning.

STATE OF MONTANA - EXECUTIVE PLANNING PROCESS

DEPARTMENT	TITLE	CODE	STATUTORY AUTHORITY
PROGRAM			

STATEMENT OF PROGRAM MISSION (from statute):

CURRENT GOAL(s) OR OBJECTIVE(s):

CONSEQUENCES OF FUNDING PROGRAM AT 80% LEVEL:

CONSEQUENCES OF FUNDING PROGRAM AT 80% LEVEL (continued):

PROPOSED PROGRAM MODIFICATION(s):

ANTICIPATED PROBLEM(s):

STATE OF MONTANA – EXECUTIVE PLANNING PROCESS

DEPARTMENT	TITLE	CODE	STATUTORY AUTHORITY
	Natural Resources and Conservation	5706	82A-1501 et seq.
PROGRAM	Water Resources	05	89-865 et seq.
STATEMENT OF PROGRAM MISSION (from statute):			

Provide for the wise utilization, development, and conservation of Montana's water for the maximum benefit of its people with the least possible depredation of the natural aquatic ecosystems.

CURRENT GOAL(s) OR OBJECTIVE(s):

- Administer all water rights in the state through the issuance of permits and investigation of violations. (III)
- Adjudicate existing water rights in the Yellowstone River Basin.
- Conduct studies of feasibility for water development or storage on the following rivers: Tongue, Powder, Bighole, Missouri, Poplar and Kootenai. (III)
- Monitor progress of the construction of the Libby Reregulation dam and hydropower facilities.
- Assist in department action on renewable resource development loans and technical assistance projects.
- Participate in a water quality evaluation of the Poplar River.
- Through the High Plains Cooperative Project (HPCP) study and evaluate the technology and impact of weather modification. (III)
- Administer and maintain state owned water projects.
- To regulate the use of flood prone lands to protect life and property.
- Provide technical assistance and data to other state agencies involved with water resource management.

CONSEQUENCES OF FUNDING PROGRAM AT 80% LEVEL:

1. Discontinue evaluation and zoning recommendations on flood plains but continue to manage those already evaluated.
2. Increase processing time for water use applications.
3. Delay the establishment of public education program concerning water rights.
4. Reduce personal assistance rendered to potential and existing water users in Kalispell, Helena, Glasgow, Billings, Broadus and Missoula City.
5. Defer improvements to state owned dams and canals.
6. Eliminate planned studies on Kootenai and Poplar Rivers.
7. Eliminate study of potential irrigable land in the Missouri River Basin.

EXAMPLE

PROPOSED PROGRAM MODIFICATION(s):

1. To finance needed dam improvements through the sale of bonds.
2. Development of a water plan for the Yellowstone River Basin using Yellowstone Level B report and reservations as a guide. (II)
3. Participate in studies that might lead to formulation of a Missouri River compact.
4. Change statutes to expedite the water right adjudication process.
5. Establish a public education program to improve compliance with water laws.

ANTICIPATED PROBLEM(s):

1. Federal dam safety regulations are proposed that would have to be administered by the state.
2. Deteriorating state owned dams increasingly present a safety hazard.
3. Additional implementation of floodplain zoning will increase state responsibilities.
4. State may be forced to defend its titles in possible federal intervention in water matters.

STATE OF MONTANA - EXECUTIVE PLANNING PROCESS

DEPARTMENT	TITLE	CODE	STATUTORY AUTHORITY
	Administration	6101	82A-201
PROGRAM	Personnel	6101-23	59-9, 59-10, 59-16, 82-1014 E.O. 8-73, E.O. 9-77
STATEMENT OF PROGRAM MISSION (from statute)			

Administer the centralized Classification and Pay Plan, the State Equal Opportunity Employment function and the State Employee's Health Insurance Program; conduct Labor Relations and Employee Training; promulgate uniform personnel policies and procedures.

CURRENT GOAL(s) OR OBJECTIVE(s):

1. Maintain the current classification and Pay Plans by reviewing classification actions, appeals, class specifications and conducting the biennial wage/salary survey. (I)
2. Negotiate and ratify contracts with each of the Executive Branch Labor units.
3. Continue to monitor, advise and provide training for the state equal employment opportunity program.
4. Design and partially implement an automated personnel and payroll records management system by January, 1979.
5. Review and rewrite approximately 600 of the 1,600 existing class specifications during the biennium.
6. Attempt to maintain the state's current fragmented Employee Health Insurance Program through the 1979 biennium.
7. Provide a wide range of training opportunities to all classes of state employees, including upper management.
8. Act as the Department of Administration's central personnel function, including recruitment, referral, discipline and grievance handling, EEO activities, development of Affirmative Action Plan, and record maintenance. (I)
9. Modification of the current employee pay plan to include capabilities to reward exceptional performance via merit increases, during FY 1979.
10. In conjunction with OBPP and the various agencies, initiate in depth staffing pattern analysis in accordance with Governor's Policy Initiatives to control growth in state government employment and improve productivity. (I)
11. Integrate the Merit System Division with the Personnel Program.

CONSEQUENCES OF FUNDING PROGRAM AT 80% LEVEL

1. Eliminate role as central personnel function for Department of Administration, (objective 9). Each division in D of A would have to operate its own personnel program.
2. Eliminate the training program (objective 8) which would discontinue a minimal capacity to improve the state work force through a central training program.
3. Return the administration of the Employees' Health Insurance Program to the Legal and Insurance Division (objective 7) which lacks staff to administer the program and the health insurance plan would be developed independent of labor negotiations.
4. Not complete the total implementation of the integrated payroll/personnel records system.

PROPOSED PROGRAM MODIFICATION(s):

1. Provide necessary funding to complete automation of the integrated payroll/personnel records system, to be completed in 1980-81 biennium. Completion includes skills inventory, career development, qualifications and preferences, and other modules.
2. Expanded funds and FTE to expand the training function to include annual management intern training, mandatory management training, expanded supervisory training, upward mobility training, etc.
3. Recodification of existing fringe benefit statutes is necessary to assure uniform benefit interpretation and application for the State as the employer.
4. Funds and FTE to implement a statewide effort which would include utilization of newly designed statistical data bases for Affirmative Action planning purposes, upward mobility training programs, specialized recruitment programs, and specialized EEO training for supervisors and legal staffs.
5. Expanded funds and FTE to provide for full-time effort as department personnel function.

ANTICIPATED PROBLEM(s):

1. The number of bargaining units will continue to grow, which will put added demands on the Labor Relations Bureau.
2. The cost of employee health insurance as presently provided will become prohibitive.
3. The inability of the state to make measurable gains in the area of equal employment opportunities will invite employment suits.

STATE OF MONTANA -- EXECUTIVE PLANNING PROCESS

DEPARTMENT	TITLE	CODE	STATUTORY AUTHORITY
	Revenue	5801	82A-1801
PROGRAM	Corporation Tax	5801 07	84 - Chapters 15 and 69
STATEMENT OF PROGRAM MISSION (from statute):			

To administer, review and audit the collection of corporation license and income taxes to assure all taxes, interest and penalties are paid in compliance with state statutes.

CURRENT GOAL(s) OR OBJECTIVE(s):

1. To review all tax returns within two months of receipt for significant errors, omissions or insufficient payment. (I)
2. To investigate and initiate legal action against corporations failing to comply with state tax laws.
3. To investigate the Montana activities of corporations not filing corporation license tax returns and take appropriate action against those corporations found subject to tax.
4. To process refund claims promptly. (I)
5. To thoroughly review each taxpayer file, a three-year cycle.
6. To inform the public, CPA and LPAs of changes in tax laws. (I)
7. To accumulate statistical data from returns for purposes of research.
8. To annually field audit at least 25 taxpayers.
9. To select and assign audits to be performed by multistate tax commission auditors.
10. To consult with the Income Tax Division on small business corporation/shareholder matters.

CONSEQUENCES OF FUNDING PROGRAM AT 80% LEVEL:

1. Reduce and be more selective of cases to be litigated.
2. Reduce travel of field audit unit, which could result in a loss of state revenue because of less effective auditing.
3. Drastically reduce training programs for auditors.
4. Delay the processing of refund claims by up to four months.
5. Reduce by 50% the number of field audits.

CONSEQUENCES OF FUNDING PROGRAM AT 80% LEVEL (continued):

PROPOSED PROGRAM MODIFICATION(s):

1. Reduce the time needed to process returns by use of temporary staff additions.
2. Relieve auditors of routine tax return reviews by addition of two audit technicians, thus increasing the number of field audits by 30%.
3. Implement computer program to detect routine math errors in returns, with a savings of one FTE.
4. Revise state tax codes concerning deductions of entertainment expenses by corporations.
5. Provide annual training seminars to CPAs and LPAs.

ANTICIPATED PROBLEM(s):

1. Anticipate litigation over interpretation in several areas of multi-state income taxation.
2. Proposed treaty with Great Britain could effect taxes paid by corporations.
3. Active federal proposal to change how states tax corporations.

STATE OF MONTANA - EXECUTIVE PLANNING PROCESS

DEPARTMENT	TITLE	CODE	STATUTORY AUTHORITY
	Fish and Game	5201	82A-2001
PROGRAM	Scenic Trails and Bikeways	23xx06	62-1804-1805

STATEMENT OF PROGRAM MISSION (from statute):

Develop and maintain scenic trails and bikeways for recreation and the promotion of tourism.

CURRENT GOAL(S) OR OBJECTIVE(S):

1. Provide maintenance of all designated state trails to assure the safety of hikers.
2. Maintain all camping and recreation facilities designated as a part of the Montana Trail System. (III)
3. Complete at least 40 miles of primary trail development as set out in Montana Trails Master Plan.
4. To administer the Bikeway Trust Fund by distributing funds to units of local government as set out in the State Bikeway Plan.
5. To annually update the State Bikeway Plan and the Montana Trails Master Plan.
6. To annually inspect the entire bikeway system and report to local units of government deficiencies and needed maintenance.
7. To make at least 10,000 out-of-state mailings each year promoting hiking and biking in Montana. (III)
8. To promote a 25% increase in bike/hike tours of Montana. (III)
9. To increase bike/hike tours by foreign tourists by at least 15%. (III)

RECOMMENDED CURRENT REDUCTION LEVELS:

1. Eliminate foreign bike/hike tour promotion.
2. Eliminate tour promotion program.
3. Reduce by 30% the funds available for local bikeway development.
4. Change trail maintenance from annual to biannual maintenance on the 30% of the trails having the least traffic.

EXAMPLE

PROPOSED PROGRAM MODIFICATION(S):

1. To implement a bikeways identification program that would clearly identify and provide signs for state bikeways. (III)
2. Establish bike/hike information centers in three key Montana cities.
3. Upgrade all trails, over a 5-year period, to federal safety standards.
4. Construct Trailhead Visitors Center Complex at Lincoln (LRBP). (III)
5. Establish a state bicycling statute to provide for the regulation of bicycle traffic.

EXAMPLE

POTENTIAL CONSEQUENCES:

1. Use of trails is increasing at a rapid rate and a continued increase may effect the back country environment.
2. Increased popularity of mo-peds creates many problems for bikeways.
3. Local government units want the state to assume larger share of bikeway maintenance costs.

STATE OF MONTANA - EXECUTIVE PLANNING PROCESS

DEPARTMENT	TITLE	CODE	STATUTORY AUTHORITY
	Health and Environmental Science	4902	82A-601
PROGRAM	Shoddy Control	4988	69-4704, 69-4705

STATEMENT OF PROGRAM MISSION (from statute):

To provide for the protection of the public health by regulating the manufacture and sale of mattresses to assure that only proper materials are used in mattress construction.

CURRENT GOAL(s) OR OBJECTIVE(s):

- To annually inspect all facilities within the state where mattresses are manufactured.
- To inspect for proper labeling at least 5% of all mattress brands and models imported into Montana for distribution and sale.
- To provide at least one hour of training to all local public health officers on the identification and characteristics of shoddy materials. (Health)
- To maintain an inventory of mattresses brands and models approved for sale within the state of Montana.
- To conduct three laboratory analyses on mattress materials for each approved mattress model, -(300 tests per year).

EXAMPLE

CONSEQUENCES OF FUNDING PROGRAM AT 80% LEVEL:

1. Reduce laboratory tests to one analyses per approved mattress model, (100 tests per year).
2. Reduce training program to one annual session of four hours. Program cost to be paid for by local agencies.
3. Conduct labeling inspections on a biennial rather than the current annual schedule.

CONSEQUENCES OF FUNDING PROGRAM AT 80% LEVEL(continued):'

PROPOSED PROGRAM MODIFICATION(s):

1. Initiate program to annually inspect motel and hotel mattresses.
2. Develop testing program for mattress flammability.
3. Provide training for local building inspectors.
4. Add fire test facility to the Shoddy Testing Institute (LRBP).
5. Amend statute to make it a felony offense to knowingly sell shoddy materials to a minor. (Consumer Protection)

EXhibit 12

ANTICIPATED PROBLEM(s):

1. Proposed federal regulations may require shoddy control in all hotels and motels.
2. Court decision in Alabama (Sleep King Mattress Co. vs. Board of Public Sleeping) recently held state's mattress labeling requirements unconstitutional. Impact upon Montana's law unknown at this time.
3. Recent research has indicated that an increasing number of young persons are manufacturing their own mattresses. Potential health hazard.

STATE OF MONTANA - EXECUTIVE PLANNING PROCESS

DEPARTMENT	TITLE	CODE	STATUTORY AUTHORITY
	Institutions	6401	82A - 801.1
PROGRAM	Sailor's Home	6499½	80 - 2901
STATEMENT OF PROGRAM MISSION (from statute):			

To provide housing and care for Montana citizens who are aged or disabled and who have served in the U.S. Navy or Coast Guard.

CURRENT GOAL(s) OR OBJECTIVE(s):

- To provide domiciliary care to 40 residents.
- To provide intermediate and skilled nursing care to 40 residents.
- To provide facilities and services that meet all minimum standards of the Veterans Administration. (Aging Services #3)
- To provide each resident at least ten hours per week of organized craft and recreation activities.
- To provide counseling and placement services to all residents, applicants and their families. (Aging Services #2)
- To maintain the Montana Museum of Naval History.
- To carry out a program of maintenance and preventive maintenance on the Sailors Home physical plant facilities.

Executive

CONSEQUENCES OF FUNDING PROGRAM AT 80% LEVEL:

1. Discontinue preventive maintenance program.
2. Discontinue Museum program.
3. Reduce recreation program to seven hours per week.
4. Discontinue counseling program.

CONSEQUENCES OF FUNDING PROGRAM AT 80% LEVEL(continued):

PROPOSED PROGRAM MODIFICATION(s):

1. Initiate home visit program for domiciliary residents. (Aging Services #2)
2. Add twenty-bed skilled nursing wing (LRBP).
3. Improve opportunities for residents to travel for recreation by purchasing twenty-passenger bus. (Aging Services #4)
4. Change statute to allow widows of naval veterans to live at the home.

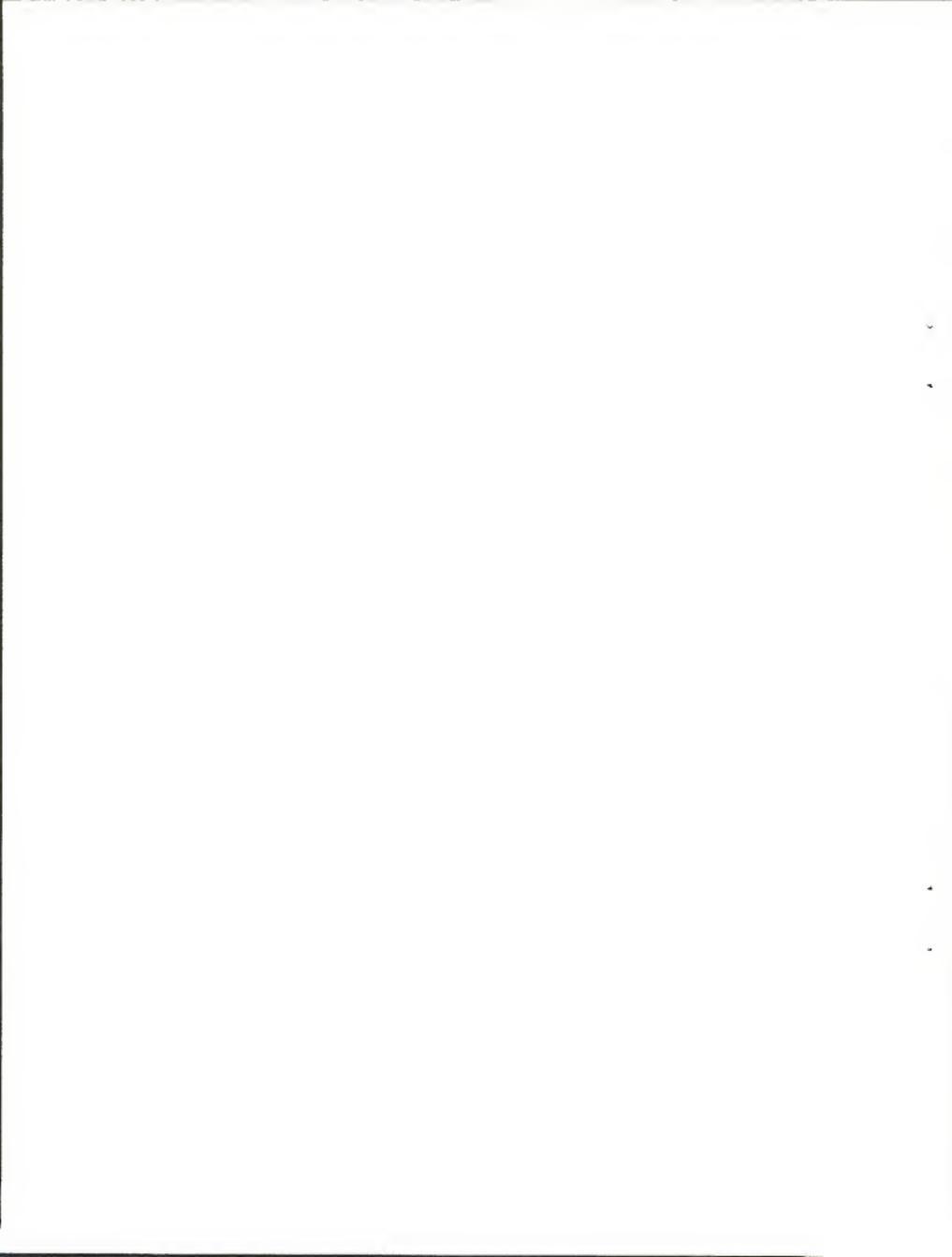
ANTICIPATED PROBLEM(s):

1. More naval veterans are requesting services as WW II veterans reach retirement age.
2. Proposed federal requirements could mandate more nursing staff.
3. The number of persons on the waiting list for skilled care placement has increased 300% in the last three years.

EXECUTIVE PLANNING PROCESS

FACILITIES FORMAT AND INSTRUCTIONS

Office of Budget and Program Planning
George L. Bousliman, Director
449-3616

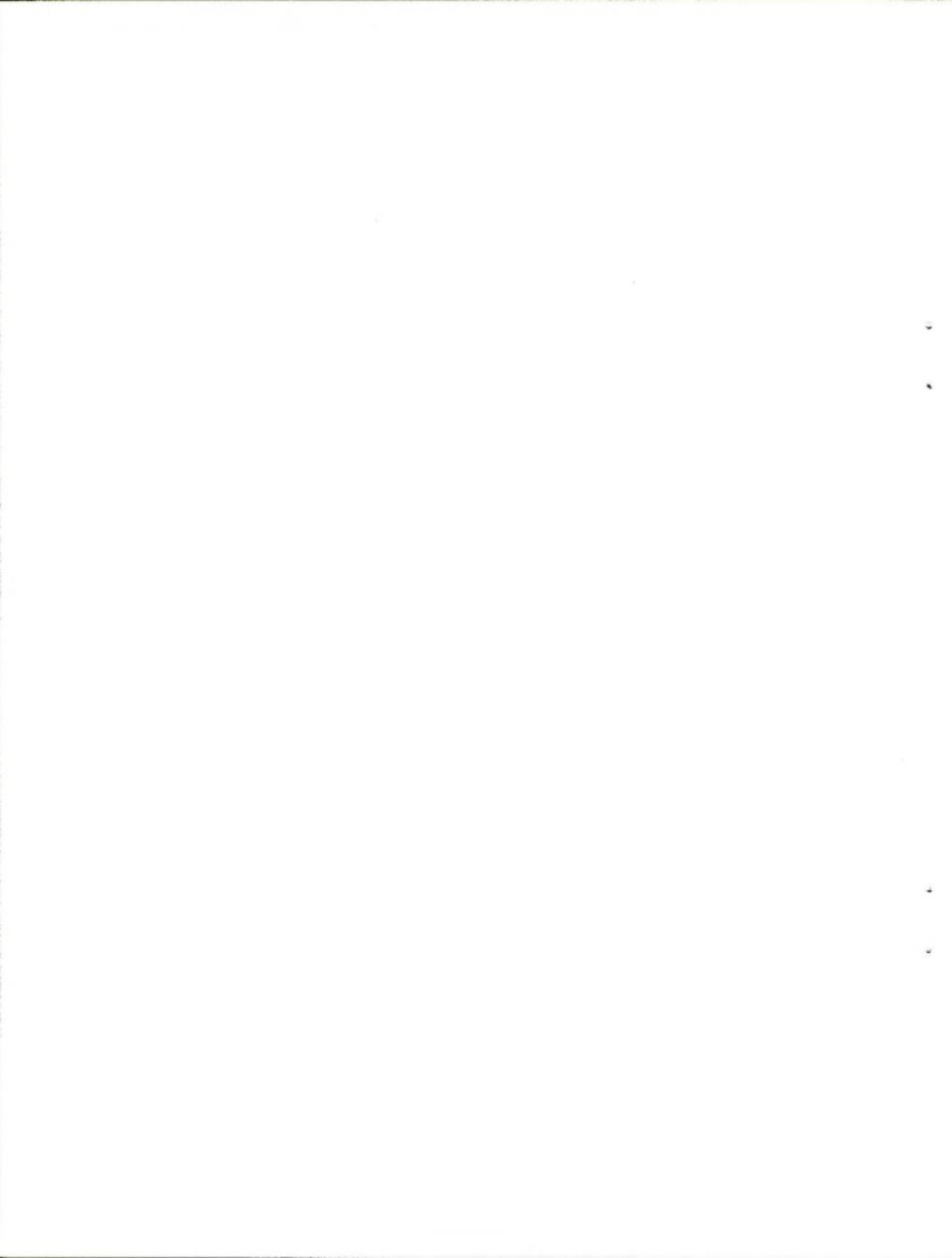


FACILITIES PLAN

INSTRUCTIONS

A Department Facilities Plan should be completed for each department of state government that contemplates requesting funds for capital construction or acquisition. Each section of the form should be completed as follows:

1. Biennium for which Project is Requested - List in this column the biennium in which the agency contemplates the project to be constructed or acquired. Begin with 1979-1981 biennium and list all projects planned for that biennium, and if possible list projects planned for the 1981-1983 and 1983-1985 bienniums.
2. Priority No. - In this column list the priority number assigned by the department for each biennium.
3. Project Title - In this column indicate the title of the project by listing a title that indicates the nature of the project or if this is not possible provide a brief description of the project.
4. Project Justification - In this column explain briefly why the project is needed in terms of the need or goal that the project will address.
5. Preliminary Estimate of Project Cost - This column should indicate the agency's "preliminary estimate", of what the project might cost. Final estimates for projects included in the Executive Budget will be provided by the Architecture and Engineering Division of the Department of Administration. The Architecture and Engineering Division will assist in developing estimates upon request by the departments.
6. Date to be Completed - List in this column the desired date of completion for the project. Major construction projects generally require at least 18 months for completion from the date funds are made available.



DEPARTMENT _____

EXECUTIVE PLANNING PROCESS
DEPARTMENT FACILITIES PLAN

Page No. _____

Biennium for Which Project is Requested	Priority No.	Project Title	Project Justification	Preliminary Estimate of Project Cost	Date to be Completed

